

023/06/2010

ADOPTION OF BUDGET FINANCIAL YEAR 2010/2011

REF NO: 5/1/11

The Council has resolved:

- a) That resolution no. 018/05/2010 be rescind.
- b) That Council notes and adopts the budget for the financial year 2010/2011.

024/06/2010

WORKSKILLS PLAN AND ANNUAL TRAINING REPORT

3/1/2/13

The Council has resolved:

- a) That the council note Work Skills Plan and Annual Training Report.

8. REPORT BY THE ADMINISTRATOR

The meeting was officially closed at 17:30.

**TSWAING LOCAL MUNICIPALITY
BUDGET FOR THE FINANCIAL YEAR 2010/2011**

BACKGROUND AND LEGAL FRAMEWORK

In terms of the Municipal Finance Management Act No. 56 of 2003 (MFMA) section 16, the Mayor of the municipality must table the annual budget at a council meeting 90 days before the start of the budget year.

CONTENTS OF THE ANNUAL BUDGET AND SUPPORTING DOCUMENTS

In terms of the Municipal Finance Management Act, No. 56 of 2003, section 17 (1) a municipality must prepare a budget in a prescribed format:-

- 'setting out realistically anticipated revenue for the budget year from each revenue source;
- appropriating expenditure for the budget year under the different votes of the municipality;
- setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
- setting out estimated revenue and expenditure by vote for the current year and actual revenue and expenditure by vote for the financial year preceding the current year'.

The second part goes further to state that an annual budget must generally be divided into capital and an operational budget in accordance with the international best practice.

The Act further states that an annual budget may be funded from:-

- realistically anticipated revenue to be collected;
- cash-backed accumulated funds from previous years surpluses not committed for other purposes; and
- borrowed funds, but only for the capital budget.

RECOMMENDATION

- a) That Council adopts the budget for the financial year 2010/2013, as per MFMA section 16 (3) (a)-(m).

1. TOTAL BUDGET

	Approved Budget 2009/2010	Adjustmnt Budget 2009/2010	Budget 2010/2011	Indicative Budget 2011/2012	Indicative Budget 2012/2013
Income	153,833,125	151,668,897	187,521,087	196,498,276	238,280,756
Expenditure	153,833,125	151,668,801	186,958,927	188,033,528	219,754,518
Surplus	0	0	562,160	8,464,748	18,526,238

2. REVENUE**OWN REVENUE**

Assessment Rates	4,347,990	4,347,990	6,958,572	7,390,003	7,826,014
Service Charges	40,537,500	35,038,773	41,822,015	44,414,980	47,035,464
Interest Received	2,629,134	2,629,134	992,500	1,054,035	1,116,223
Fines	962,000	965,000	1,166,000	1,238,292	1,311,351
Licence and Permits	2,723,500	2,790,000	2,333,000	2,477,646	2,623,827
Total	51,200,124	45,770,897	53,272,087	56,574,956	59,912,879

3. GRANTS AND SUBSIDIES**National Governments**

Equitable Share	36,521,000	38,135,000	46,649,000	52,718,000	58,127,000
Equitable Share - Councillors	1,289,000	1,289,000	1,445,000	1,445,000	1,445,000
Municipal Infrastructure Grant (MIG)	15,653,000	15,653,000	17,434,000	20,968,000	25,495,000
Municipal Systems Improvement Grant (MSIG)	735,000	735,000	750,000	840,000	800,000
Municipal Finance Management Grant (MFMG)	1,000,000	1,000,000	1,250,000	1,250,000	1,500,000
Integrated National Electricity Programme Grant (INEP)	6,721,000	3,372,000	15,440,000	4,500,000	24,545,000
Expanded Public Works Programme Grant	-	-	870,000	0	0
Total	61,919,000	60,184,000	83,838,000	81,721,000	111,912,000

4. PROVINCIAL GOVERNMENT

Library Grant	360,000	5,360,000	360,000	382,320	404,877
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	Approved Budget 2009/2010	Adjustmnt Budget 2009/2010	Budget 2010/2011	Indicative Budget 2011/2012	Indicative Budget 2012/2013
5. NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY					
Water	15,378,000	15,378,000	19,674,000	23,916,000	27,628,000
Sanitation	10,142,000	10,142,000	12,976,000	12,976,000	12,976,000
Municipal Infrastructure Grant (MIG)	14,834,000	14,834,000	17,401,000	20,928,000	25,447,000
Total	40,354,000.00	40,354,000	50,051,000	57,820,000	66,051,000
TOTAL GRANTS	102,633,000	105,898,000	134,249,000	139,923,320	178,367,877
TOTAL REVENUE	153,833,124	151,668,897	187,521,087	196,498,276	238,280,756
6. EXPENDITURE					
Salary - Officials	42,710,683	46,204,862	49,340,492	51,602,040	54,646,561
Salary - Councillors	6,710,942	6,791,539	7,247,817	7,697,181	8,151,315
Bulk - Electricity	9,500,000	11,200,000	16,334,968	17,347,736	18,371,252
Water	700,000	920,000	850,000	902,700	955,959
General Expenses	17,129,100	21,103,400	20,060,150	21,303,879	22,560,809
Repairs and Maintenance	2,122,000	3,240,000	4,030,500	4,280,391	4,532,934
Contribution to Fixed Assets	70,371,401	59,909,000	83,795,000	76,485,000	101,462,000
Contribution to Provisions	1,500,000	1,500,000	4,500,000	4,779,000	5,060,961
Contribution to Conditional Grant	2,289,000	-	0	2,786,000	3,113,000
Depreciation	800,000	800,000	800,000	849,600	899,726
TOTAL EXPENDITURE	153,833,126.00	151,668,801	186,958,927	188,033,528	219,754,518

7. CAPITAL PROJECTS

PROJECTS FUNDED FROM MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Villages High Mast Lighting.....

TOTAL MIG	-	-	17,434,000	-	-
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PROJECTS FUNDED FROM INTEGRATED NATIONAL ELECTRICITY PROGRAMME (INEP)

Letsopa Ext 5 (500 Houses)			3,600,000		
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Agisanang Ext 2 & 3			6,900,000		
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Rural villages & Extended areas			8,490,000		
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TOTAL	-	-	15,440,000	-	-
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PROJECTS FUNDED FROM THE DISTRICT MUNICIPALITY (NMMDM)

Water	-	-	19,674,000	-	-
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Sanitation	-	-	12,976,000	-	-
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Municipal Infrastructure Grant (MIG)	-	-	17,401,000	-	-
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Total	-	-	50,051,000	-	-
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PROJECTS FUNDED FROM EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

EPWP	-	-	870,000	-	-
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TOTAL CAPITAL ROJECTS	-	-	83,795,000	-	-
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PROJECTS FUNDED FROM THE DISTRICT MUNICIPALITY (NMMDM)

WATER INFRASTRUCTURE

Deelpan Water Supply	-	-	3,000,000		
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Ward 3 Bulk Water Supply(Middleton A,B & C	-	-	2,000,000		
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Sannieshof & Agisanang Bulk Water Supply & Reticulation	-	-	4,850,000		
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Delareyville Bulk Water Supply	-	-	4,000,000		
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Delareyville Ext 8 Water Supply	-	-	1,000,000		
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Ottosdal & Letsopa Bulk Water Supply & Reticulation	-	-	5,000,000		
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TOTAL	-	-	19,850,000
SANITATION INFRASTRUCTURE			
Witpan 1 & 2 Rural Sanitation	-	-	4,000,000
Direetsane Rural Sanitation	-	-	2,900,000
Geluk Rural Sanitation	-	-	450,000
Rooidak rural Sanitation	-	-	200,000
Skierlik Rural Sanitation	-	-	400,000
Line Rural Sanitation	-	-	200,000
Manamolela 1,2 & 3 Rural Sanitation	-	-	600,000
Geysdorp Rural Sanitation	-	-	3,000,000
TOTAL			11,750,000

TSWAING LOCAL MUNICIPALITY BUDGET FOR THE FINANCIAL YEAR 2010/2013									
OPERATING BUDGET SUMMARY	Preceding Year 2007/08	Adjusted Budget 2008/09	Approved Budget 2009/10	Adjustmnt Budget 2009/10	Current Year 2008/09		Medium Term Revenue and Exp Framework		
	Audited Actual 2007/08					Actual 31/12/2008	Full Year Forecast	Budget 2010/11	Indicative Budget 2011/12
REVENUE SOURCE									
Assessment Rates									
Property Rates	-8,000,000.00	-6,500,000.00	-6,500,000.00	-4,347,990.00	-3,094,482.99	-6,188,965.98	-8,958,572.00	-7,390,003.46	-7,826,013.67
Property Rates - Penalties imposed & collection charges	-	-	-	-	-	-	-	-	-
Service Charges									
Electricity Revenue from Tariffs	-12,800,000.00	-11,428,000.00	-11,428,000.00	-11,400,000.00	-2,716,442.45	-5,432,884.90	-15,906,416.00	-16,892,613.79	-17,889,278.01
Electricity Revenue Basic	-	-1,600,000.00	-1,600,000.00	-2,154,000.00	-	-	-3,627,733.00	-3,852,652.45	-4,079,958.94
Electricity Revenue Prepaid	-500,000.00	-1,350,000.00	-1,350,000.00	-2,125,300.00	-684,512.00	-1,369,024.00	-3,080,958.00	-3,271,977.40	-3,465,024.06
Water Revenue from Tariffs	-14,400,000.00	-15,000,000.00	-15,000,000.00	-3,500,000.00	-	-	-3,131,047.00	-3,325,171.91	-3,521,357.06
Water Revenue Basic	-	-1,500,000.00	-1,500,000.00	-1,746,000.00	-	-	-1,877,623.00	-1,994,035.63	-2,111,683.73
Sanitation Revenue from Tariffs	-	-	-	-	-	-	-	-	-
Waste Removal Revenue from Tariffs	-6,500,000.00	-6,500,000.00	-6,500,000.00	-6,500,000.00	-2,507,915.25	-5,015,830.50	-6,122,824.00	-6,502,439.09	-6,886,082.99
Refuse Removal Revenue from Tariffs	-2,600,000.00	-2,400,000.00	-2,400,000.00	-2,980,000.00	-1,080,038.00	-2,160,076.00	-4,472,014.00	-4,749,278.87	-5,029,486.32
Other Income	-748,000.00	-412,050.00	-412,050.00	-4,188,473.00	-106,321.06	-212,642.12	-3,138,400.00	-3,332,980.80	-3,529,626.67
Gain on Sale of Property, Plant and Equipment	-500,000.00	-	-	-	-	-	-	-	-
Rental of Facilities and Equipment	-295,000.00	-456,000.00	-456,000.00	-445,000.00	-263,019.97	-526,039.94	-465,000.00	-493,830.00	-522,965.97
Interest									
Interest on External Investment	-	-	-	-	-	-	-	-	-
Interest on Bank Balance	-10,000.00	-160,000.00	-160,000.00	-140,000.00	-86,092.74	-172,185.48	-142,500.00	-151,335.00	-160,263.77
Interest on Outstanding Debtors	-2,900,000.00	-2,900,000.00	-2,900,000.00	-2,489,134.00	-	-	-850,000.00	-902,700.00	-955,959.30
Divident Received	-	-	-	-	-	-	-	-	-
Fines									
Traffic	-850,000.00	-950,000.00	-950,000.00	-950,000.00	-108,800.00	-217,600.00	-1,151,000.00	-1,222,362.00	-1,294,481.36
Library	-5,000.00	-10,000.00	-10,000.00	-15,000.00	-6,435.55	-12,871.10	-15,000.00	-15,930.00	-16,869.87
Licence and Permits									
Licence and Permits	-700,000.00	-2,714,000.00	-2,714,000.00	-2,790,000.00	-683,805.57	-1,367,611.14	-2,333,000.00	-2,477,646.00	-2,623,827.11
National Government Transfers									
Equitable Share	-22,539,000.00	-27,635,000.00	-27,635,000.00	-39,424,000.00	-14,462,065.00	-28,924,130.00	-48,094,000.00	-54,163,000.00	-59,572,000.00
Councillors Remuneration	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	-7,206,000.00	-11,778,000.00	-11,778,000.00	-15,853,000.00	-7,300,877.03	-14,601,754.06	-17,434,000.00	-20,968,000.00	-25,495,000.00
Municipal System Improvement Grant	-735,000.00	-735,000.00	-735,000.00	-735,000.00	-741,315.79	-1,482,631.58	-750,000.00	-840,000.00	-800,000.00
LG Finance Management Grant	-500,000.00	-1,250,000.00	-1,250,000.00	-1,000,000.00	-1,250,000.00	-2,500,000.00	-1,250,000.00	-1,250,000.00	-1,500,000.00
Integrated National Electricity Programme	-2,619,000.00	-7,493,000.00	-7,493,000.00	-3,372,000.00	-	-	-15,440,000.00	-4,500,000.00	-24,545,000.00
Expanded Public Works Progr. Grant	-	-	-	-	-	-	-870,000.00	0.00	0.00
Provincial Government Transfers									
Conditional Grant: Library Services	-250,000.00	-360,000.00	-360,000.00	-5,360,000.00	-360,000.00	-720,000.00	-360,000.00	-382,320.00	-404,876.88
Ngaka Modiri Molema District Municipality									
Refund for Agency Services - Water & Sanitation	-	-12,000,000.00	-12,000,000.00	-25,520,000.00	-4,422,086.21	-8,844,172.42	-32,650,000.00	-36,892,000.00	-40,604,000.00
Refund for Agency Services - MIG	-	-	-14,834,000.00	-14,834,000.00	-	-	-17,401,000.00	-20,928,000.00	-25,447,000.00
TOTAL INCOME	-84,657,000	-115,131,050.00	-129,965,050.00	-161,668,897.00	-39,874,209.61	-79,748,419	-187,521,087.00	-196,498,276.39	-238,280,755.70

OPERATING EXPENDITURE PER CATEGORY	Preceding Year 2007/08	Adjusted Budget 2008/09	Approved Budget 2009/10	Adjustmnt Budget 2009/10	Current Year 2008/09		Budget 2010/11	Indicative Budget 2011/12	Indicative Budget 2012/13
	Audited Actual 2007/08				Actual 31/12/2008	Full Year Forecast			
Salaries, Wages and Allowances - Officials	37,988,722.00	38,637,429.39	48,204,861.67	48,204,861.67	17,751,838.37	35,503,676.74	49,340,491.88	51,602,040.37	54,646,560.76
Salaries, Wages and Allowances - Councillors	8,174,500.00	8,696,796.00	6,791,539.65	6,791,539.65	3,289,950.50	6,599,901.00	7,247,816.83	7,697,181.47	8,151,315.18
Bulk Purchases - Electricity	8,400,000.00	9,500,000.00	9,500,000.00	11,200,000.00	5,794,175.08	11,588,350.16	16,334,968.00	17,347,736.02	18,371,252.44
Bulk Purchases - Water	500,000.00	500,000.00	700,000.00	920,000.00	233,451.13	466,902.26	850,000.00	902,700.00	955,959.30
General Expenses	20,189,604.70	41,930,160.00	23,023,400.00	21,103,400.00	-	-	20,060,150.00	21,303,879.32	22,560,808.92
Repairs and Maintenance	1,702,000.00	1,803,000.00	3,312,000.00	3,240,000.00	611,165.87	1,222,331.74	4,030,500.00	4,280,391.00	4,532,934.07
Capital Charges	100,000.00	50,000.00	50,000.00	-	-	-	-	-	-
Contribution to Fixed Assets	-	800,000.00	59,909,000.00	59,909,000.00	7,752.00	15,504.00	83,795,000.00	76,485,000.00	101,462,000.00
Contributions to Provisions	9,619,478.00	12,500,000.00	1,500,000.00	1,500,000.00	569,485.84	1,138,971.68	4,500,000.00	4,779,000.00	5,060,961.00
Contributions to Conditional (Grants) Expenditure	-	2,318,691.00	0.00	-	-	-	-	2,786,000.00	3,113,000.00
Depreciation	-	50,000.00	750,000.00	800,000.00	-	-	800,000.00	849,600.00	899,726.40
TOTAL EXPENDITURE	84,674,305	114,586,076.39	161,740,801.32	161,668,801.32	28,267,819	56,535,638	186,958,926.71	188,033,528.18	219,754,518.07
NET SURPLUS / (DEFICIT)	17,305	-544,973.61	21,775,751.32	-85.66	-11,606,391	-23,212,782	-562,160.29	-8,464,748.21	-18,526,237.63